

Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 IO-13 ISO-00 SSO-00 NSCE-00
ICAE-00 INRE-00 AGRE-00 CIAE-00 COME-00 INR-10
LAB-04 NSAE-00 SP-02 STR-07 TRSE-00 FRB-03 OMB-01
SS-15 L-03 JUSE-00 AF-10 EA-10 NEA-10 /119 W
-----116400 291734Z /43

O 291615Z APR 78
FM AMEMBASSY SANTO DOMINGO
TO SECSTATE WASHDC NIACT IMMEDIATE 4366
INFO USMISSION GENEVA
AMEMBASSY LONDON

LIMITED OFFICIAL USE SANTO DOMINGO 2296

DEPT PASS TO ALL ARA DIPLOMATIC POSTS

E.O. 11652: N/A
TAGS: OAS, ETRD, SCCN, DR
SUBJECT: OAS-SCCN ADOPTS SUGAR AND TRADE RESOLUTIONS

REFS A. SANTO DOMINGO 2212, B. SANTO DOMINGO 2294 (NOTAL)

1. SUMMARY. THE OAS SPECIAL COMMITTEE FOR CONSULTATION AND NEGOTIATION ADOPTED FIVE RESOLUTIONS ON APRIL 28. THE RESOLUTION ON SUGAR, THE DOMINANT TOPIC OF THE MEETING, WAS PASSED OVER NEGATIVE US VOTE (REF B). WE TRIED UNSUCCESSFULLY TO AVOID CASTING A NO VOTE BY PROPOSING THAT THE RESOLUTION BE LABELED AS THE LATIN AMERICAN AND CARIBBEAN POSITION, THE US ABSTAINED ON THREE OTHER RESOLUTIONS ON GSP, PROTECTIONISM, AND COPPER AND TIN (TEXTS SENT SEPTELS. WE WERE ABLE TO SUPPORT THE FIFTH AND MOST POSITIVE RESOLUTION, ALSO ON GSP (REPORTED SEPTEL). ASSISTANT STR LANDE ALSO HAD THE OPPORTUNITY TO EXPLAIN US VIEWS ON LDC PARTICIPATION IN THE MTN. ALL THAT REMAINS FOR THE FINAL DAY IS THE RAPPORTEUR'S REPORT AND THE CLOSING CEREMONY. END SUMMARY

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2. THE LATIN AMERICAN CARIBBEAN GROUP'S PROPOSAL ON SUGAR WAS FINALLY ADOPTED BY CONSENSUS WITH THE US RECORDING ITS OPPOSITION, AFTER UNSUCCESSFUL ATTEMPTS BY THE US DEL, THE DOMINICAN FOREIGN MINISTER (CHAIRMAN OF THE MEETING), AND SEVERAL OTHER DELEGATIONS TO FIND A COMPROMISE SOLUTION THAT WOULD HAVE ALLOWED US TO MERELY ABSTAIN. SEVERAL LATIN DELEGATIONS, HOWEVER, INSISTED THAT IT BE ADOPTED AS A RESOLUTION OF THE SCCN AS A WHOLE. SINCE THE

DOCUMENT WAS EXTREMELY CRITICAL OF US SUGAR POLICY, BLAMING US FOR REDUCED SUGAR PRICE LEVELS, WE HAD NO ALTERNATIVE BUT TO OPPOSE. DAS ARELLANO READ THE FOLLOWING PREPARED STATEMENT: BEGIN QUOTE THE US FULLY SUPPORTS THE EMPHASIS OF THE RESOLUTION ON THE INTERNATIONAL SUGAR AGREEMENT AS THE BASIC INSTRUMENT FOR ACHIEVING STABILIZATION OF THE INTERNATIONAL SUGAR MARKET. AS US OFFICIALS HAVE STATED REPEATEDLY, MOST RECENTLY AT THIS CONSULTATION, THE INTERNATIONAL SUGAR AGREEMENT IS THE CORNERSTONE OF US SUGAR POLICY.

WE BELIEVE THAT THE MAJOR FORCES PRESENTLY AFFECTING PRICES ARE THE OVERHANG OF STOCKS IN EXPORTING COUNTRIES, THE STOCKS WHICH RESULTED FROM INORDINATELY HEAVY EXPORTS TO THE US DURING THE LATTER PART OF 1977, FORECASTS OF CONTINUED OVERSUPPLY IN 1978, AND AGGRESSIVE MARKETING FROM PRODUCING COUNTRIES THAT ARE NOT MEMBERS OF THE INTERNATIONAL SUGAR AGREEMENT. THE EMERGENCY AND TEMPORARY MEASURES ADOPTED BY THE US HAVE NOT SERVED TO STIMULATE INCREASED PRODUCTION IN THE US.

AS THE US DELEGATION NOTED ON WEDNESDAY IN EXPLAINING THE US POSITION ON SUGAR AS PART OF THIS CONSULTATION, THE US CONTINUES TO REGARD ITS IMPORT FEE AND DUTY STRUCTURE AS TEMPORARY AND PLANS TO REDUCE THESE DUTIES AND FEES AS THE ISA SUCCEEDS IN RAISING WORLD SUGAR PRICES.

THE US UNDERSTANDS AND SHARES THE CONCERNS OF THE LATIN AMERICAN LIMITED OFFICIAL USE

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AND CARIBBEAN COUNTRIES OVER PRESENT LOW SUGAR PRICES.

WE CANNOT, HOWEVER, ACCEPT THE CONCLUSION THAT THESE PRICE LEVELS ARE ATTRIBUTABLE TO US POLICY. ACCORDINGLY, THE US MUST VOTE AGAINST THE PRESENT RESOLUTION. END QUOTE.

3. BANNER HEADLINES IN SANTO DOMINGO PRESS APRIL 29 STATE "LATIN AMERICAN SUGAR PRODUCERS CENSURE US MEASURES" AND "SCCN ATTRIBUTES TO THE US THE BLAME FOR FALL IN THE SUGAR PRICES". THE PAPERS' STORIES THEN REPORT IN SOME DETAIL AND REASONABLY ACCURATELY WHAT TRANSPIRED. WHAT THEY COULD NOT KNOW, IS THAT THE DOMINICAN FOREIGN MINISTER, IN CONSULTATION WITH THE US DEL, ACCEPTED WITH EQUANIMITY OUR NECESSITY OF VOTING NO. IN FACT, THE FINAL OUTCOME SEEMED TO SURPRISE NO ONE, AND SEVERAL OTHER DELEGATES TOLD US PRIVATELY THAT THEY UNDERSTOOD THAT WE HAD NO OTHER OPTION.

4. DURING THE MORNING SESSION LANDE WAS ABLE TO EXPLAIN THE US VIEWS ON LDC PARTICIPATION IN THE MTN AND TO REVIEW PROGRESS ON THE VARIOUS CODES UNDER NEGOTIATION IN GENEVA. NO DELEGATION RESPONDED, PRESUMABLY PARTLY BECAUSE OF THE GENERAL RELUCTANCE TO DISCUSS THE MTN AT THE REGIONAL LEVEL. ARGENTINA HAD PREPARED

A DRAFT RESOLUTION ON THE MTN WHICH WAS NEVER PRESENTED IN PLENARY BECAUSE IT COULD NOT GET AGREEMENT WITHIN THE LATIN AMERICAN GROUP.

5. ONCE THE SUGAR ITEM HAD BEEN CONCLUDED, THE REMAINING RESOLUTIONS WERE DISPOSED OF RATHER QUICKLY. THE US HAD PARTICIPATED IN PREPARATION OF AND SUPPORTED A RESOLUTION CALLING FOR A MEETING OF EXPERTS TO ANALYZE EXPERIENCE WITH GSP. THE OTHER THREE RESOLUTIONS ON WHICH WE ABSTAINED RECOMMEND A THROUGH ANALYSIS OF SUPPOSED PROTECTIONIST TRENDS IN THE UNITED STATES, EXPRESS CONCERN ABOUT POTENTIAL US MEASURES ON COPPER AND TIN, AND REPEAT BROAD CRITICISMS OF GSP FROM RESOLUTIONS OF PREVIOUS MEETINGS. THE FINAL DAY'S SESSIONS SHOULD BE LARGELY ROUTINE AND CEREMONIAL.
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YOST

NOTE BY OC/T: NOT PASSED ALL ARA DIPLOMATIC POSTS.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, TRADE, RESOLUTIONS, REGIONAL ORGANIZATIONS, COMMITTEES, MEETING VOTING RECORDS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
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Disposition History: n/a
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